

DEBT SERVICE**7701: DEBT & INTEREST**

	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Manager	Change FY 09 - 10	Percent Change
Principal	1,068,963	965,714	1,009,964	932,341	1,036,275	(33,373)	-3.5%
Interest	364,102	424,133	364,883	629,851	275,166	205,718	48.5%
Deferred Payments	56,514	56,514	56,514	56,514	56,514	0	0.0%
TOTAL APPROPRIATION	1,489,579	1,446,361	1,431,361	1,618,706	1,367,955	172,345	11.9%
SOURCES OF FUNDS							
Taxation	1,445,913	1,359,779	1,344,779	1,534,932	1,301,544	175,153	12.9%
CPAC Funds	43,666	86,582	86,582	83,774	66,411	(2,808)	-3.2%

MAJOR COMPONENTS:

	<u>Principal</u>	<u>Interest</u>	<u>Deferred Payments</u>	<u>TOTAL</u>
Town Hall Refunding	170,000	32,375		202,375
Jones Library Refunding	46,450	729		47,179
* Regional High School Debt	265,562	86,904		352,466
Regional High School Roof	94,263	16,731		110,994
Crocker Farm Renovation	200,000	66,000		266,000
Sidewalks	65,000	10,075		77,075
Wildwood Roof	60,000	4,905		64,905
Plum Brook Athletic Fields Temporary Debt	48,000	7,520		55,520
Bangs Community Center Roof.HVAC	36,500	13,614		50,114
Interest on Temporary Debt		20,000		20,000
Deferred Teachers Payroll			56,514	56,514
TOTAL	<u>\$1,036,275</u>	<u>\$275,166</u>	<u>\$56,514</u>	<u>\$1,367,955</u>

* Debt funded through Proposition 2 ½ overrides

SIGNIFICANT BUDGET CHANGES:

The Town completed a most successful \$3,080,000 bond sale and refunding (refinancing) dated December 15, 2009 that achieved a very low interest rate on the bonds (1.85% TIC), budgetary savings from the refunding that will total \$125,306 over the remaining years of the debt service, and an improved long-term bond rating of AA with a Stable outlook from Standard & Poor's. The higher bond rating lowers borrowing costs. The refunding bonds were for the Atkins Water Treatment Plant, Jones Library, and the Boltwood Parking Garage. The new bonds issued were for Town Hall exterior renovations (\$505,000), Bangs Community Center roof and HVAC replacement (\$420,000), and the remaining unpaid portion of notes issued for improvements to the Plum Brook Recreation Area (\$240,000). All of these projects were previously authorized by Town Meeting.

SERVICE LEVELS:

	<u>FY 05 Actual</u>	<u>FY 06 Actual</u>	<u>FY 07 Actual</u>	<u>FY 08 Actual</u>	<u>FY 09 Actual</u>
Number of Issues					
School Debt	5	5	7	4	4
Town Debt	9	11	9	5	4
Library Debt	1	1	1	1	1

GENERAL FUND**OTHER EXPENDITURES**

MISSION: To provided funding and/or services for purposes which have not been recognized as being a routine part of Town operations and, therefore, have not been incorporated in the operating budget.

LONG RANGE OBJECTIVES:**FY 11 OBJECTIVES:**

To provide a conservative, but adequate appropriation to the Finance Committee's Reserve Fund for extraordinary and/or unforeseen expenditures that may occur during the year.

SERVICE LEVELS:

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Actual</u>
Amherst Cable Television	1	1	0	0	0
Reserve Fund Transfers	3	4	2	1	1

GENERAL FUND**OTHER EXPENDITURES**

		FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Manager	Change FY 10 - 11	Percent Change
Amherst Cable Television	\$	0	0	0	0	0	0	0.0%
Reserve Fund	\$	100,000	100,000	100,000	100,000	100,000	0	0.0%
TOTAL APPROPRIATION	\$	100,000	100,000	100,000	100,000	100,000	0	0.0%
SOURCES OF FUNDS								
Taxation	\$	100,000	100,000	100,000	100,000	100,000	0	0.0%

MAJOR COMPONENTS:

See above.

SIGNIFICANT BUDGET CHANGES:

None.

GENERAL FUND**OTHER ASSESSMENTS**

MISSION: To pay for charges assessed by other governmental entities.

LONG RANGE OBJECTIVES:**FY 11 OBJECTIVES:**

To participate in management of transportation services and retirement benefits through membership on the governing boards of the Pioneer Valley Transit Authority and the Hampshire County Retirement Board.

To evaluate the efficiency and effectiveness of services provided to the Town by other agencies.

SERVICE LEVELS:

	FY 05 <u>Actual</u>	FY 06 <u>Actual</u>	FY 07 <u>Actual</u>	FY 08 <u>Actual</u>	FY 09 <u>Actual</u>
Number of Programs:					
State	7	7	7	7	7
County	0	0	0	1	1
Pioneer Valley Planning Commission	1	1	1	1	1
Hampshire County Retirement System	1	1	1	1	1

SIGNIFICANT BUDGET CHANGES:

Hampshire County Retirement Assessment increases by 6.3%, or \$189,703, to total of \$3,190,355 allocated to the General Fund for Town, Library, and non-teaching School employees. In addition, the Enterprise Funds' are allocated their share of the total assessment of \$3,540,835 in their respective budgets. It includes an annual payment of \$239,314 to fund the liability created by the Early Retirement Incentive program adopted by the Town in 2002 and 2003. The pension funding schedule is based upon a January 1, 2007 actuarial study. Net losses to the HC Pension Fund incurred in 2008 and 2009 will be reflected in a January 1, 2010 actuarial update and will increase the unfunded liability and member towns' assessments beginning in FY 12. The legislature is considering legislation that would extend the current funding schedule from 2030 to 2038. That would allow systems to extend the period to recoup investment losses from 2008 and reduce upward pressure on member assessments.

The PVTa assessment estimate represents a 2.5% increase above the actual FY 10 assessment of \$868,120 (per 12/17/09 letter from PVTa based upon audited 6/30/09 financials) for FY 09 service. The remaining \$183,894 Town share of the estimated PVTa assessment is funded within the Transportation Fund.

State assessments assume a 9.5% decrease in RMV non-renewal charges and a 6% increase in retired teachers' health insurance assessment.

School Choice assessment estimated to increase 5% and Charter School assessment increases an estimated 31% because enrollments are increasing and state reimbursement s declining for students attending Pioneer Valley Chinese Immersion School per state reimbursement formula.

**** NOTE:** Per DOR accounting requirements, this budget depicts gross cherry sheet assessments. Miscellaneous Receipts now include reimbursements to the Town from the Elementary Schools (for retired teachers health insurance, school choice/charter school tuition) and Transportation Enterprise Fund (RMV non-renewal surcharge and Town share of PVTa assessment) to reimburse the Town for cherry sheet assessments.

GENERAL FUND

OTHER ASSESSMENTS

		FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Manager	Change FY 10 - 11	Percent Change
State Assessments:	\$							
Retired Teacher Health Insurance	\$	750,035	887,989	887,989	950,146	1,007,155	57,009	6.0%
Air Pollution Districts	\$	3,725	6,864	6,864	7,265	7,265	0	0.0%
RMV Non-Renewal Surcharge	\$	64,460	64,460	59,820	66,072	59,820	(6,252)	-9.5%
Regional Transit (PVTA)	\$	806,293	815,746	815,746	819,335	889,823	70,488	8.6%
Special Education	\$	289	296	296	12,343	12,343	0	0.0%
School Choice Sending Tuition	\$	210,542	210,542	210,542	272,827	286,468	13,641	5.0%
Charter School Sending Tuition	\$	161,216	306,958	306,958	481,428	630,630	149,202	31.0%
County Regional Lockup Assessment	\$	31,323	31,323	31,323	31,323	31,323	0	0.0%
PVPC	\$	5,231	5,231	5,231	5,231	5,231	0	0.0%
Retirement Assessment	\$	2,920,979	2,917,009	2,917,009	3,000,652	3,190,355	189,703	6.3%
TOTAL APPROPRIATION	\$	4,954,093	5,246,418	5,241,778	5,646,622	6,120,413	473,791	8.4%
SOURCES OF FUNDS								
Reimbursement of Cherry								
Sheet Assessments	\$	882,083	1,202,841	1,202,841	1,423,223	1,609,804	186,581	13.1%
Taxation	\$	3,427,370	3,390,390	3,394,297	3,553,882	3,804,680	250,798	7.1%
UMass/Five Colleges	\$	644,640	653,187	644,640	669,517	705,929	36,412	5.4%

MAJOR COMPONENTS:

State Assessments include fees payable to the Registry of Motor Vehicles that the Town collected for the Registry, the assessment due as a member of the Air Pollution Control District, and costs for retired teacher's health insurance.

County assessments include an assessment instituted in FY 08 for operations the Regional Lockup Facility by the Hampshire County Sheriff.

Estimated school choice and charter school sending tuition assessment increases are budgeted here.

Pioneer Valley Planning Commission (PVPC) provides regional planning services in the Pioneer Valley. The amount budgeted is the assessment to the Town for membership.

The Retirement Assessment covers General Fund municipal and library employees as well as non-teaching school employees.